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October 23, 2008

Bert Layne
Jefferson Gas Transmission Co., Inc.
220 Lexington Green Circle, Ste. 130
P. O. Box 24032
Lexington, KY 40503-3333

CERTIFICATE OF SERVICE

RE: Case No. 2008-00398
Jefferson Gas Transmission Co., Inc.

I, Stephanie Stumbo, Executive Director of the Public Service Commission, hereby certify that the enclosed attested copy of the Commission's Order in the above case was served upon the addressee by U.S. Mail on October 23, 2008.

A handwritten signature in cursive script that reads "Stephanie Stumbo".

Executive Director

SS/tw
Enclosure

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE NOTICE OF PURCHASED GAS)
ADJUSTMENT FILING OF JEFFERSON) CASE NO. 2008-00398
GAS TRANSMISSION COMPANY)

ORDER

On February 16, 1999, in Case No. 1998-00499,¹ the Commission approved rates for Jefferson Gas Transmission Company ("Jefferson") and provided for their further adjustment in accordance with Jefferson's Gas Cost Adjustment ("GCA") clause.

On September 29, 2008, Jefferson filed its proposed GCA to be effective November 1, 2008.

After reviewing the record in this case and being otherwise sufficiently advised, the Commission finds that:

1. Jefferson's notice includes revised rates designed to pass on to its customers its expected change in wholesale gas costs.
2. Jefferson's proposed Expected Gas Cost ("EGC") is \$6.7448 per Mcf, which is \$3.79 per Mcf less than the previous EGC of \$10.5348.
3. Jefferson's notice sets out no current quarter refund adjustment.
4. Jefferson's notice sets out a current quarter Actual Adjustment ("AA") of \$.0585 per Mcf. Jefferson's total AA is \$.5164 per Mcf, which is a decrease of \$.283 per Mcf from the previous total AA.

¹ Case No. 1998-00499, Application of Jefferson Gas Transmission Co., Inc. to Adjust Rates.

5. Jefferson's GCA is \$7.2612 per Mcf, which is \$4.073 per Mcf less than the previous GCA of \$11.3342.

6. The rates in the Appendix to this Order are fair, just, and reasonable, and should be approved for billing for service rendered by Jefferson on and after November 1, 2008.

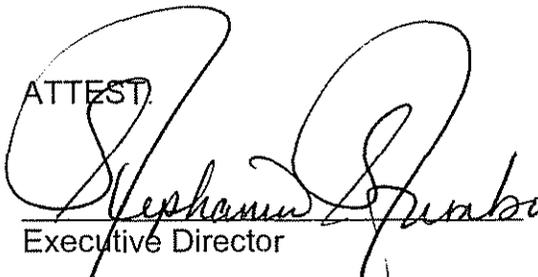
IT IS THEREFORE ORDERED that:

1. The rates in the Appendix to this Order, attached hereto and incorporated herein, are approved for billing for service rendered by Jefferson on and after November 1, 2008.

2. Within 20 days of the date of this Order, Jefferson shall file with this Commission its revised tariffs setting out the rates authorized herein.

Done at Frankfort, Kentucky, this 23rd day of October, 2008.

By the Commission

ATTEST

Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2008-00398 DATED OCTOBER 23, 2008

The following rates and charges are prescribed for the customers served by Jefferson Gas Transmission Company. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of this Commission prior to the effective date of this Order.

Rates:

	<u>Base Rate</u>	<u>Gas Cost</u>	<u>Rate per Mcf</u>
Minimum Bill - First Mcf	\$3.89	\$7.2612	\$ 11.1512
Over 1 Mcf	\$2.26	\$7.2612	\$ 9.5212